



# NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

## Chairman's Speech

Dear Shareholders,

On behalf of the Board of Directors and on my own behalf, it gives me immense pleasure to welcome you all on the occasion of the 3<sup>rd</sup> Annual General Meeting (AGM) of NDMC Smart City Ltd. Your presence is indeed a true testimony to your involvement with, and support for the Company. The annual report for the financial year ending 31<sup>st</sup> March 2019, along with Director's Report, Management Discussion and Analysis Report, Audited Annual Accounts and Auditor's Report thereon, have already been provided.

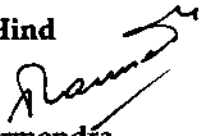
The Government of India launched Smart Cities Mission on 25<sup>th</sup> June 2015, NDMC was selected as one of the twenty cities in first round of Smart Cities Mission by the Ministry of Urban Development, Government of India (MoUD). Thereafter, a Special purpose Vehicle (SPV) company called New Delhi Municipal Council Smart City Limited (NDMC SCL) was established on 28<sup>th</sup> July 2016, under Companies Act, 2013. NDMCSCL is owned by the Central Government through New Delhi Municipal Council.

We have completed most of the projects initially undertaken and reported to MoHUA. Remaining are either work in progress or at tender/DPR stage. We are committed to complete these projects too expeditiously. We have taken major initiative in the past but believe that smart city is a continuous journey rather than one time phenomena. We are identifying new set of projects to make city and citizens smarter.

The Report on Corporate Governance for the Financial Year ending 31<sup>st</sup> March 2019 forms separate part of the Annual Report. Your Company is fully committed to adopt and implement best practices on Corporate Governance. The Company believes in total transparency in all its operations with special emphasis on financial prudence and accountability

I wish to place on record my deep appreciation of the dedicated service of the NDMC and NDMCSCL team which has made all this possible. A dedicated and talented workforce and synergy between NDMC and NDMCSCL has been a pillar of NDMCSCL's strength. I thank them for striving to take the company forward. Let me assure you, we will continue to stay focused in building a city that our citizen aspire for and we solicit your unstinted support for the years to come.

Jai Hind

  
Dharmendra  
(Chairman)

New Delhi Municipal council Smart City Limited



# NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

## DIRECTORS' REPORT

To  
The Members of  
New Delhi Municipal Council Smart City Limited  
Room No. 2001-A,  
2nd Floor, Palika Kendra  
New Delhi - 110001

Your Directors have pleasure in presenting their 3<sup>rd</sup> (Third) Director's Report on the business and operations of the Company and accounts for the financial year commenced from 1<sup>st</sup> April, 2018 and ended on 31<sup>st</sup> March, 2019 (hereinafter called 'period under review').

### 1. FINANCIAL RESULTS

The Financial Summary of the Company for the financial year ended on 31<sup>st</sup> March, 2019 is summarized below:

(Amount in Rs.)

Total Income	27,72,90,047	21,94,87,795
Less: Total Expenditure	71,37,73,681	28,53,06,198
<b>Profit/Loss before prior period items and tax</b>	<b>(43,64,83,634)</b>	<b>(6,58,18,403)</b>
Add: Prior period items	0	0
<b>Profit /loss before tax</b>	<b>(43,64,83,634)</b>	<b>(6,58,18,403)</b>
Less: Tax Expenses		
Current Tax		
Earlier year tax adjustment		
Deferred tax	(8,83,703)	46,56,954
<b>Profit(Loss) for the year</b>	<b>(43,73,67,336)</b>	<b>(6,11,61,449)</b>

The Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules and other applicable laws/regulations. The Financial Results as mentioned in the Table above are extracted from the accounts of the F.Y. 2018-19 adopted by the Board of Directors on 21<sup>st</sup> May, 2020.

### 2. STATE OF COMPANY'S AFFAIRS

The Company was incorporated on 28<sup>th</sup> day of July 2016, with the main object to plan, design, develop, implement, manage, maintain, operate and monitor the Smart City Development projects for the area under "New Municipal Council (NDMC)" in accordance with Smart City Mission of the Government of India and State Government.



During the period under review, the Company has incurred loss of Rs.43,73,67,337/-. The Company is expecting the boost in its revenues due to positive modifications and innovations in the future.

### **3. DIVIDEND**

The Board of Directors of the Company has not recommended any dividend on the shares of the Company.

### **4. RESERVES**

The Board has not transferred any amount to reserves during the year under review.

### **5. STATUS OF PROJECTS UNDER REVIEW NDMC SMART CITY LIMITED**

NDMC Smart City Limited has developed the several world class projects under the NDMC area during the year 2018-19. The status of the projects carried out under the Smart City Mission is provided in the Budget Speech of NDMC available on [www.ndmc.gov.in](http://www.ndmc.gov.in).

### **6. MATERIAL CHANGES**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### **7. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of the business during the financial year under review.

### **8. ORDERS PASSED BY THE REGULATORS/ COURTS**

No significant and material orders has been passed by the regulators or courts or tribunals during the year under review which can impact the going concern status and Company's operations in future.

### **9. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

Since the Company does not have any Subsidiaries, Associates or Joint Venture Companies, the disclosure of particulars with respect to information related to performance and financial position of the Subsidiaries, Joint Ventures or Associate Companies subject to Rule 8(1) of Companies (Accounts) Rules, 2014 is not applicable.

### **10. REMUNERATION OR COMMISSION TO MANAGING OR WHOLE TIME DIRECTOR FROM ANY HOLDING COMPANY OR SUBSIDIARY COMPANY**

During the period under review, neither the Managing Director nor the Whole Time Directors have received any commission from the Holding Company or Subsidiary Company.

### **11. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

Names of companies which have become to be its Subsidiaries, joint ventures or associate companies during the year:-N.A.



Names of companies which have ceased to be its Subsidiaries, joint ventures or associate companies during the year:-N.A.

## **12. DEPOSITS**

The Company has neither invited nor accepted any deposits from the public during the period under review. Also, there is no unclaimed or unpaid deposit lying within the Company as per the -accounts of F. Y. 2018-19.

## **13. STATUTORY AUDITORS**

The Statutory Auditor of the Company is appointed by Comptroller & Auditor General of India. M/s R. S. Singhvi & Co., Chartered Accountants(Firm Regn. No. 000190N), New Delhi, were appointed as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 for the financial year ending 31st March, 2019.

The observations/comments of the Statutory Auditors on the financial statements alongwith management reply thereto are annexed hereto and forms part of the report as **Annexure'A'**.

Comptroller & Auditor General of India have done the supplementary audit of the Company. The comments are pending with CAG. The stakeholders will be informed about the comments of CAG as soon they are issued.

## **14. INTERNAL AUDITOR**

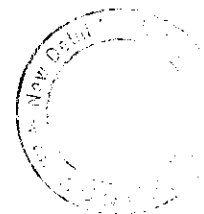
The Company has appointed M/s AMAA and Associates as the internal auditor of the Company.

## **15. RELATIONSHIP BETWEEN NEW DELHI MUNICIPAL COUNCIL (NDMC) AND THE COMPANY**

NDMC Smart City Limited has been formed in accordance with Smart City Guidelines formulated by Government of India, Ministry of Urban Development to act as a Special purpose Vehicle (SPV). It was proposed to give complete flexibility and financial autonomy to the SPV to implement and manage the Smart City Projects and the State/ULBs will undertake measures for the purpose. Accordingly, NDMC Smart City was incorporated on 28<sup>th</sup> July, 2016 as a "Limited Company" under the provisions of Companies Act, 2013.

The Company for furtherance of the objectives of Smart City Mission and its activities require usage of certain infrastructure and resources including technical, labour etc. of NDMC. NDMC carries out work on behalf of the Company on deposit work basis. Most of the projects are presently being carried out by the NDMC on behalf of the company.

The expenditures on these projects from the NDMC funds are re-imbursed by the company to NDMC on actual basis along with all the applicable taxes if any, including the departmental charges as admissible under CPWD manual/GFR.The Company has entered into a Memorandum of Agreement with NDMC on 18<sup>th</sup> July, 2018 for smooth functioning of both the entities and maintains the relevant accounts thereof in a proper way.



## **16. SECRETARIAL AUDITORS & AUDIT REPORT**

M/s Grover Ahuja and Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company for the financial year 2018-19 pursuant to the provisions of Section 204 of the companies Act, 2013. The Secretarial Audit Report for the year ending as on 31<sup>st</sup> March, 2019 alongwith Management reply on the observations is annexed hereto and forms part of the report as Annexure 'B'.

## **17. SHARE CAPITAL**

The capital Structure of the company is provided as under:

<b>Particulars</b>	<b>Amount(Rs.)</b>
Authorized Share Capital(Rs.10/-)	500,00,00,000
Paid up Share Capital(Rs.10/-)	250,00,00,000
Subscribed Share Capital(Rs.10/-)	250,00,00,000

NDMC smart city being a wholly owned Government company, its entire paid up equity share capital of Rs. 250 Crores has been held by Government of India through New Delhi Municipal Council. There has been no change in the Authorized Share Capital and Paid up Share Capital of the Company during the period under review.

## **18. DISCLOSURES**

### **i) Board and its Committees**

The details of the composition, number of meetings held/attended by directors/members and other particulars are given in the Corporate Governance Report annexed to this Report as Annexure 'C'.

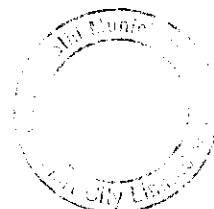
### **ii) Particular of Loans. Guarantees. Securities or Investments Under Section186**

The Company has neither granted any loan nor made any security, guarantee or investment under the provisions of Section 186 of the Companies Act, 2013 during the period under review as per the accounts for the F.Y 2018-19.

### **iii) Extract of Annual Return**

Extract of Annual Return of the Company has been prepared as per the format prescribed under the Companies Act,2013 i.e. in form MGT' 9, which is duly enclosed with the Directors' Report as Annexure 'D'.

### **iii) The details of conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act,2013 are as follows:**



#### A. Conservation of Energy

The Management is aware of the energy crises prevailing in the country and utilizes its energy sources in the best possible manner and has made best efforts and all relevant measures for conservation of energy.

#### B. Technology Absorption

Same as at Sr. No. 5

#### C. Foreign Exchange Earnings and Outgo

- i) The total foreign exchange earned in terms of actual inflows during the financial year - NIL
- ii) Total foreign exchange expenditure in terms of actual outgo: 27,46,940/- (Twenty Seven Lakh Forty Six Thousand Nine Hundred Forty only)

### **19. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as Company is not covered under the criteria mentioned in Section 135(1) of Companies Act, 2013.

### **20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the period under review, as required under DPE Guidelines is annexed to this report as Annexure 'E'.

### **21. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED / RESIGNED DURING THE YEAR**

The details of Board of Directors as on 31<sup>st</sup> March, 2019 along with the changes that took place in its constitution during the period under review are summarized below:

Name	Designation	DIN/PAN	Date of Appointment	Date of Cessation
Naresh kumar	Director	03249776	28/07/2016	N.A.
Rashmi Singh	Director	06611327	04/06/2018	N.A.
Chanchal Yadav	Director	07487074	28/07/2016	13/04/2018
Nidhi Srivastava	CEO(KMP)	ASAPS8768B	23/01/2019	N.A.
Raajiv Yaduvanshi	Nominee Director	03258711	20/08/2018	N.A.
Ganesan Ramesh	Director	05273063	01/11/2018	N.A.
Vishwa Rajan Gupta	Director	02362699	01/11/2018	N.A.



Kanika Tandon bhal	Additional Director	06944916	15/02/2019	N.A.
Ramanand Bhagat	CFO(KMP)	AEYPB4570N	15/02/2019	N.A.
Ritika Uniyal	Company Secretary	ACHPU9246K	19/03/2018	N.A.
Ms. Juhi Mukherjee	Chief Executive Officer	AVFPM7002E	21/04/2017	18/01/2019
Ramanand Bhagat	Additional Director	08384385	31/12/2018	N.A.
Mr. I.C Sharma	Additional Director	08301385	31/12/2018	N.A.
Mr. Deepak Mohan Spolia	Additional Director	01804004	31/12/2018	NA
Mr. Manoj Parida	Nominee Director	01385331	20/08/2018	15/12/2018
Ms. Geetali Tare	Director cum CFO	07491458	28/07/2016	14/08/2018
Ms. Punya salila Srivastava	Nominee Director	06540888	09/11/2016	10/05/2018
Mr. Shailendra Vikram Singh	Nominee Director	07940703	15/11/2018	NA

## **22. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR**

During the period under review, 4 meetings of the Board were held dated 06/04/2018, 04/06/2018, 12/10/2018 and 15/02/2019.

## **23. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES U/S 188(1)**

The company has entered into related party transaction with New Delhi Municipal Council during the period under review, details of which is annexed to this report as **Annexure 'F'**.

## **24. RISK MANAGEMENT POLICY**

Risk Management is an integral part of the company's business strategy. The Board reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The Board nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

The Company has adopted the Risk Control Matrix and Internal Financial Control Policy on 15th May, 2019 i.e., after the end of the reporting period, for proper risk management and controlling revenue leakages of the company.

## **25. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013**

The Company respects the Vishakha Guidelines and therefore it has formed Internal Complaints Committee on the Board Meeting held on 6<sup>th</sup> April, 2018 for the Women Employees to raise and report their genuine concern to the committee. The Company has not received any complaints during the reported period.



## **26. INTERNAL CONTROL SYSTEMS**

The Company's internal control system is explained in the Management Discussion and Analysis Report.

## **26. CORPORATE GOVERNANCE REPORT**

Pursuant to DPE's Guidelines, a separate section on 'Corporate Governance' alongwith certificate from Grover Ahuja & Associates, Company Secretaries confirming compliance of the conditions of Corporate Governance as stipulated in the DPE guidelines alongwith the management reply to the observation(s) is annexed to this report as Annexure 'C'.

## **27. IMPLEMENTATION ON CIRCULAR ISSUED BY MINISTRY OF CORPORATE AFFAIRS ON GREEN INITIATIVES IN CORPORATE GOVERNANCE"**

The Ministry of Corporate Affairs, vide its Circular no. 17 /20LL dated 21st April 2011 followed by Circular no.18/2011 dated 29th April 2011 has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies through electronic mode and introduced e-mail address as one of the modes of send communication to the members. Also, as per provision of Section 101 of the Companies Act, 2013, and rules made there under notice of meeting may be sent by electronic mode.

In accordance with the above circulars and to ensure compliance of Green Initiative your Company has sent various documents including Notice of the 3rd AGM, Audited Financial Statements, Directors' Report, Auditors' Report for the financial year ending on 31<sup>st</sup> March, 2019 etc. to its shareholders in electronic form, at the e-mail address provided by members.

Your Company shall also display full text of Annual Report for the year ending on 31<sup>st</sup> March, 2019 at its website [www.smartcity.ndmc.gov.in](http://www.smartcity.ndmc.gov.in) and physical copies of such documents will be made available at the registered office of the Company.

## **28. DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There was no such fraud reported by the Auditors under sub-section 12 of section 143.

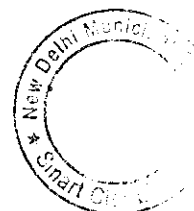
## **29. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards except as mentioned in Secretarial Audit Report, if any.

## **30. DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a.) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- b.) that accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- c.) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d.) that the annual financial statements have been prepared on a going concern basis;
- e.) that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 31. ACKNOWLEDGMENT

Your Directors gratefully acknowledge all stakeholders of the company viz. financial institutions, Government Authorities, members, dealers, vendors, banks and other business partners for the excellent support received from them during the financial year. Your Directors place on record their appreciation for employees, executives, staff and workers of the Company who have contributed to the growth and performance of the Company.

Place: *Bellu*  
Date: *4/9/2020*

For and on behalf of the Board of Directors



Director  
DIN: 08908272

(Mr. B. M. Mishra)



Director  
DIN: 08741753

(Mr. Puskal Upadhyay)



**FORM NO. AOC -2**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.


1. Details of contracts or arrangements or transactions not at Arm's length basis: **N.A.**

2. Details of contracts or arrangements or transactions at Arm's length basis:-

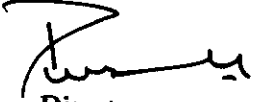
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	New Delhi Municipal Council
b)	Nature of contracts/arrangements/transaction	NDMC carries out the work/projects on behalf of the Company on deposit work basis
c)	Duration of the contracts/arrangements/transaction	No specific contract period
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.68,08,56,607/- (Terms as per the Memorandum of Agreement dated 18.07.2018)
e)	Date of approval by the Board	21/04/2017
f)	Amount paid as advances, if any	-

Place: **Delhi**  
Date: **4/9/2020**

For and on behalf of the Board of Directors

  
Director  
DIN: 08908272

(Mr. B. M. Mishra)

  
Director  
DIN: 08741753

(Mr. Puskal Upadhyay)

**Annexure**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED**  
**As on financial year ended 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

<b>I</b>	<b>CIN</b>	U74999DL2016GOI303700
<b>ii</b>	<b>Registration Date</b>	28/07/2016
<b>iii</b>	<b>Name of the Company</b>	New Delhi Municipal Council Smart City Limited
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Company Limited by Shares/ Union Government Company
<b>V</b>	<b>Address of the Registered office &amp; Contact Details</b>	Room No. 2001-A, 2nd Floor, Palika Kendra, New Delhi - 110001 <b>Contact No.:</b> 011-23415248 <b>E-mail Id:</b> secretary@ndmc.gov.in
<b>Vi</b>	<b>Whether listed company</b>	No
<b>Vii</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Planning & undertaking Smart City Development Projects	75133	Nil

**III.) PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

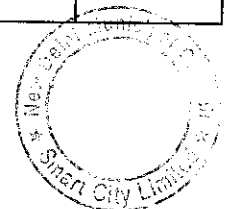
SI No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.



**IV.) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year(01-04-2018)				No. of Shares held at the end of the year(31-03-2019)				
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	% change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	2	2	0.000008	-	2	2	0.000008	-
b) Central Govt. or State Govt.	-	24,99,99,994	24,99,99,994	99.99	-	24,99,99,994	24,99,99,994	99.99	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	-	24,99,99,996	24,99,99,996	99.99	-	24,99,99,996	24,99,99,996	99.99	-
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter</b>	-	24,99,99,996	24,99,99,996	99.99	-	24,99,99,996	24,99,99,996	99.99	-



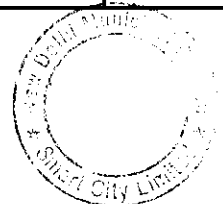
(A)= (A)(1)+(A) (2)									
<b>B. PUBLIC SHAREH OLDING</b>									
<b>(1) Institution s</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non Institution s</b>									
a) Bodies corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholder s holding nominal share capital upto	-	4	4	0.0000 016	-	4	4	0.0000 016	-



Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (HUF)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	4	4	0.0000016	-	4	4	0.0000016	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	25,00,00,000	25,00,00,000	100	-	25,00,00,000	25,00,00,000	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April, 2018)			Shareholding at the end of the year (as on 31 <sup>st</sup> March, 2019)			
		No. of Shares	% of Total Shares of the Company	% of Total Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Total Pledged/encumbered to total shares	% Change in Shareholding during the year
1	NDMC represented by Ms. Chanchal Yadav	24,99,99,994	99.99	-	-	-	-	-
2	Ms. Geetali Tare	1	0.0000004	-	-	-	-	-
3	Mr. Naresh	1	0.0000004	-	1	0.0000000	-	-



	Kumar					4		
4	NDMC represented by Ms. Rashmi Singh	-	-	-	24,99,99,994	99.99	-	-
5	Mr. Ramanand Bhagat	-	-	-	1	0.0000004	-	-
	<b>Total</b>	<b>24,99,99,996</b>	<b>99.99</b>	<b>-</b>	<b>24,99,99,996</b>	<b>99.99</b>	<b>-</b>	<b>-</b>

(iii) Change in Promoters' Shareholding (Specify, if there is No Change)

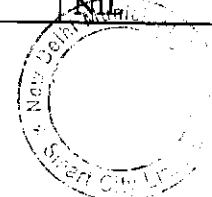
There is no change in any of the Promoters Shareholding except the shares held by Ms. Geetali Tare were transferred to Mr. Ramanand Bhagat and representative of NDMC was changed from Ms. Chanchal Yadav to Ms. Rashmi Singh.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Mr. Amin Ahmed Tazir, Director (power)	1	0.0000004	-	-
2	Mr. Prem Kumar Sharma, MOH	1	0.0000004	-	-
3	Mr. Murari Lal Sharma, Director (Vigilance)	1	0.0000004	-	-
4	Mr. Virender Singh, Director (Personnel)	1	0.0000004	-	-
5	Dr. Ramesh Kumar, MOH	-	-	1	0.0000004
6	D.P. Singh, Director (Vigilance)	-	-	1	0.0000004
7	Mr. R.P. Sati, Director (Personnel)	-	-	1	0.0000004
8	Mr. Narendra Gautam, Director (Power)	-	-	1	0.0000004

(v) Shareholding of Directors & KMP

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
	At the beginning of the year				
1	NDMC represented by Ms. Chanchal Yadav	24,99,99,994	99.99	1	0.0000001
	Percentage Change in the	NIL	NIL	NIL	NIL



	Shareholding during the year				
	At the end of the year	NIL	NIL	NIL	NIL
2.	<b>NDMC represented by Ms. Rashmi Singh</b>	1	0.0000001	1	0.0000001
	Percentage Change in the Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	24,99,99,994	99.99	24,99,99,994	99.99
3.	<b>Mr. Naresh Kumar</b>	1	0.0000004	1	0.0000004
	Percentage Change in the Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	1	0.0000004	1	0.0000004
4.	<b>Ms. Geetali Tare</b>	1	0.0000004	1	0.0000004
	Percentage Change in the Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
5.	<b>Mr. Ramanand Bhagat</b>	NIL	NIL	NIL	NIL
	Percentage Change in the Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	1	0.0000004	1	0.0000004

#### V.) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I + II + III)</b>	-	-	-	-

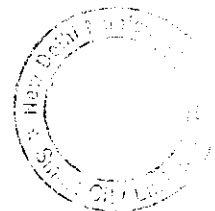


<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
				-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI.) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole Time Director and/or Manager:**

SI. No.	Name of the MD/WTD/Manager	Total Amount	
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
	Others, please specify	-	-
	<b>Total (A)</b>	-	-
	<b>Ceiling as per the Act</b>		



**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of the Directors	Total Amount	
1	Independent Directors	-	-	-
	(a) Fee for attending board committee meetings	Shailendra Vikram Singh Deepak Sapolia Vishwa Ranjan Gupta Ishwar Chand Sharma	20,000 10,000 10,000 10,000	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	-	50,000	-
2	Other Non-Executive Directors	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	-	50,000	-
	<b>Total Managerial Remuneration</b>	-	-	-
	<b>Overall Ceiling as per the Act.</b>			

**C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd**

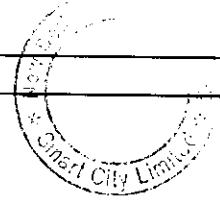
S. No	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	11,58,007	3,68,387	-	15,60,910	15,60,910
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-	-



5	Others, please specify (Reimbursement Electricity Expenses)	of	34,516	-	-	-	-
<b>Total</b>			11,92,523	3,68,387	-	1560,910	15,60,910

**VII.) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment / Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	Not Applicable				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	Not Applicable				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Not Applicable				
Punishment					
Compounding					



Place: Delhi  
Date: 4/9/2020

For and on behalf of the Board of Directors

*(Signature)*

Director  
DIN: 08908272

(Mr. B.M. Mishra)

*(Signature)*

Director  
DIN: 08741753

(Mr. Puskal Upadhyay)

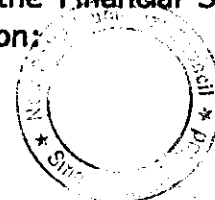
**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF  
NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED****I. Report on the Financial Statements****Qualified Opinion**

We have audited the accompanying Financial Statements of **NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss, statement of Cash Flow and notes to financial statement including summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report*, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements except in respect of following issues, which requires attention;



i) The company has not yet held any Annual General Meeting for adopting audited financial statement for FY 2017-18 as required u/s 96(1) of the Companies Act, 2013 to be held by every company other than one person company every year, which may attract penalty and other consequences in accordance with provisions of Companies Act 2013. Further, there is delay in holding AGM for FY 2018-19.

As per provisions of section 99 of the Act, if any default is made in complying or **holding AGM** of the company, the company and every officer of the company who is in default shall be punishable with fine which may extend to Rs 1 lakh and in case of continuing default, with a further fine which may extend to Rs. 5,000/- for every day during which default continues. Due to continuous default, the amount of penalty cannot be ascertained.

ii) Considering the facts that all works are being executed through NDMC and that there are no direct contracts with third party vendors, we are unable to satisfy ourselves in verifying the capital commitments of the Company as at March 31, 2019, reported at Rs. Nil under Note 16 of Notes to Financial Statements.

iii) In respect of Smart City expenses Rs.68,08,56,607/- (i) no bifurcation is being made between capital and revenue expenses; (ii) such expenses are recorded on the basis of claims statement received from New Delhi Municipal Council (NDMC), which are approved by Board of the company (Refer Note 1(a) of the Notes to Financial Statements)

### **Emphasis of Matter**

i) The Income tax return for AY 2017-18 has not been filed, which may attract penal consequences as per provisions of Income Tax Act, 1961. The contingent liability for default in filing of income tax return has not been provided.

ii) The Company has accounted for Rs.144 crore (Rs.44 crore received in FY 2016-17 and Rs.100 crore in FY 2017-18) from NDMC as 'grant contribution', however, no documents has been provided to us confirming the nature of this amount and restrictions on use of the same, if any. Further, the company proposes to convert the same into equity capital in FY 2019-20 (Refer Note 4 of Notes to Financial Statements).

Further, as per accounting policy of the company, grants are recognized in accordance with Accounting Standard (AS)-12 under "Capital Approach" (Refer Note 1(d) of Notes to Financial Statements). Under this approach, grant should be treated as part of shareholder's fund, however, company disclosed the same under the head "Current Liabilities". (Refer Note 4.1 of Notes to Financial Statements) by applying "Income Approach" under AS-12, however, this is not consistent with the accounting policy since the same mentions that grant are recognized under "Capital Approach".

Our opinion is not modified in respect of these matters.



### **Information other than the financial statements and auditors' report thereon**

A. The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

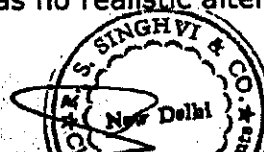
B. In connection with our audit of the Financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a no material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

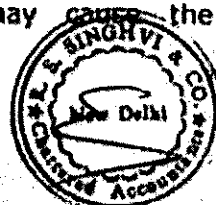
B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

- A.** Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
- B.** As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control systems.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

**C.** Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

**D.** We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**E.** We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **II. Report on Other Legal and Regulatory Requirements**

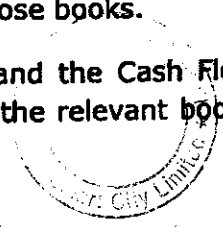
**1.** As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**2.** As required by Section 143(3) of the Act, based on our audit we report that:

**A.** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

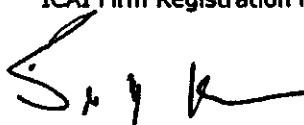
**B.** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

**C.** The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.



- D.** In our opinion, except for the matters described in Basis of Qualified opinion paragraph above, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- E.** On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act, except in the cases of under mentioned director where copy of written representation were not available for our verification:
- (i) Ms Punya Salila Srivastava
- F.** With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in "Annexure B" and
- G.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position in its Financial Statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 3.** As required by Section 143(5) of the Act, we give in "Annexure C", a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India.

For **R. S. Singhvi & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 000198N

  
**Shiva Nohan Kapoor**  
Partner  
Membership No. 082272  
UDIN: 20082272AAAAAB9225



Date: 26/05/2020  
Place: New Delhi

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the Company on the financial statements for the period ended 31<sup>st</sup> March 2019)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that:

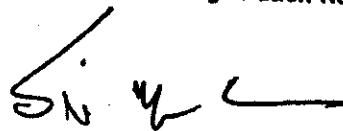
- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our Opinion, the program of verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c. There is no immovable property held by the Company.
- ii. In our opinion and according to the information and explanations given to us, the Company does not have any stock of raw materials, consumable and finished goods and therefore, the provisions of clause (ii) of paragraph 3 of the order is not applicable to the Company.
- iii. According to information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of Companies Act, and therefore, the provisions of clause (iii)(a), (iii)(b), & (iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company does not have any loans, investments, guarantees and security, and therefore, the provisions of clause (iii)(a), (iii)(b), & (iii)(c) of the Order are not applicable to the Company.
- v. According to the information and explanation provided to us, the Company has not accepted any deposits from public under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under where applicable. No order has been passed by Company Law Board or National Company Law Board or Reserve Bank of India or any other court or any other tribunal.
- vi. According to the information and explanation given to us, the maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other material statutory dues applicable to it with the appropriate authorities and there are no undisputed amounts payable in respect of these dues as at 31 March, 2019 for a period of more than six months from the date they became payable. However, Goods and Service tax of Rs.25,44,493, which was due to be paid in December, 2017, has been deposited after due date on 05/08/2019.
  - b. According to information and explanation given to us and records of the company examined by us, there are no dues of provident fund, employee's state insurance, Income-tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2019 on account of disputes.



**R. S. Singhvi & Co.**  
**Chartered Accountants**

- viii. In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks, government, or debenture holders during the year and accordingly, clause (viii) of the order is not applicable to the company.
- ix. The Company has not raised any money by way of public issue and as such reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x. According to the information given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of section 197 of the Companies Act, 2013 do not apply to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company and accordingly paragraph 3(xii) of the CARO 2016 Order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sec.177 and 188 of act where applicable and details of such transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards and Companies Act, 2013.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. According to the information and explanation provided to us and based on our examination, the Company is not required to be registered under section 45-1 of the Reserve Bank of India Act, 1934.

For R. S. Singhvi & Co.  
Chartered Accountants  
ICAI Firm Registration No: 000190N



Shiva Mohan Kapoor  
Partner  
Membership No. 082272  
UDIN: 20082272AAAAAB9225

Place: New Delhi  
Date: 26/05/2020



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED** ("the Company") as of 31 March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

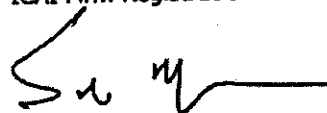
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

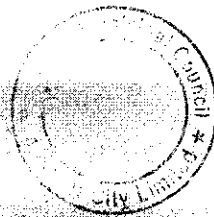
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For R. S. Singhvi & Co.  
Chartered Accountants  
ICAI Firm Registration No: 000190N



Shiva Mohan Kapoor  
Partner  
Membership No. 082272  
UDIN: 20082272AAAAAB922

Place: New Delhi  
Date: 26/05/2020

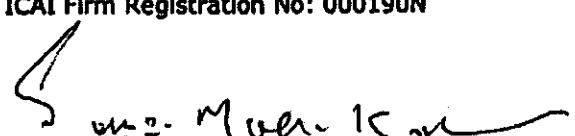


**ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT**

As required by C&AG of India through supplementary directions issued u/s 143(5) of Companies Act, 2013, on the basis of written representation received from the management, we report that:

S. No.	Directions	Report
1.	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per information and explanation given to us, the company is maintaining financial accounts on Tally software. Not applicable. The Company does not have any freehold and leasehold property.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the company due to the company's liability to repay the loan? if yes, the financial impact may be stated.	The company has not taken any loan and as such there is no case of any restructuring loan or waiver/write off debts/ loans/ interest etc. during the year.
3.	Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanation given to us, the funds received/ receivable for specific schemes from Central/State Agencies were properly accounted for/ utilized as per the respective terms and conditions.

For R. S. Singhvi & Co.  
Chartered Accountants  
ICAI Firm Registration No: 000190N

  
Shiva Mohan Kapoor  
Partner  
Membership No. 082272  
UDIN: 20082272AAAAA89225

Date: 26/05/2020  
Place: New Delhi





# NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

## MANAGEMENT REPLIES ON THE COMMENTS OF THE STATUTORY AUDITORS ON THE ANNUAL ACCOUNTS AND ANNEXURE TO THE AUDITORS' REPORT

### A. Auditors' Report

Point No.	Management Reply
<b>Basis for Qualified Opinion</b>	
1)	Noted
2)	Management has certified capital commitment as NIL as on 31.03.2019.
3)	Statement of fact
<b>Report on Other Legal and Regulatory Requirements</b>	
Point No. 1, 2(a),(b), (c), (d), (f), (g), 3	Statement of Fact, so no comments required
Point No. 2 (e)	Noted

### B. Annexure to the Auditors' Report

#### i) Annexure A

Point No.	Management Reply
i to xvi	No comments

#### ii) Annexure B : Statement of Fact , No comments

For and on behalf of the Board of Directors

Date: 4/9/2020

Place: Delhi

(Director)

DIN:

(Mr. B.M. Mishra)

(Director)

DIN: 08741753

(Mr. Puskal Upadhyay)



## GROVER AHUJA & ASSOCIATES

Company Secretaries

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
[Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
New Delhi Municipal Council Smart City Limited

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED (hereinafter called as "the Company") for the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter called as the "period under review"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-Mechanism in place to the extent, in the manner but subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review, checked the applicability of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable to the Company during Audit Period; Not Applicable to the Company during the period under review.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Not Applicable to the Company during the period under review.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External

Head Off: D-251, L G F, Defence Colony, New Delhi-110024, Ph: Ph: 41633301, 011-46772201-07

Branch Off.: 119, First Floor, Deepshikha Building, Rajendra Place, Delhi-110008

Mumbai Office: 63, Rajgir Chambers, 7th Floor, Shaheed Bhagat Singh Marg,

Opp. Old Customs House, Mumbai-400001

Web Site: [www.groverahuja.com](http://www.groverahuja.com);

E mail: [info@groverahuja.in](mailto:info@groverahuja.in)





## GROVER AHUJA & ASSOCIATES

### Company Secretaries

Commercial Borrowings; Not Applicable to the Company during the period under review.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable to the Company during the period under review.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable to the Company during the period under review.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable to the Company during the period under review.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable to the Company during the period under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the period under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable to the Company during the period under review.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during the period under review.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable to the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- Guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India for Central Public Sector Enterprises (CPSE) i.e. DPE Guidelines.

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observations:



## GROVER AHUJA & ASSOCIATES

Company Secretaries

- *The Company has not filed the e-form for appointment of Mr. Ramanand Bhagat (Additional Director), Mr. I. C. Sharma (Independent Director), Mr. Deepak Spolia (Independent Director) during the period under review.*
- *The Company has not filed the e-form for appointment and resignation of Mr. A Anbarasu, Mr. Prakash Singh and Mr. Rakesh Mittal as Nominee Director of the Company of the period prior to period under review.*
- *The Company has not convened an Independent Director meeting during the period under review as required under Schedule IV of the Companies Act, 2013.*
- *The Independent Directors of the Company during the period under review have failed to give disclosures to the Company under section 149 read with schedule IV of the Act.*
- *The Company has conducted only 4 (Four) Board Meetings during the period under review i.e. on 06.04.2018, 04.06.2018, 12.10.2018 and 15.02.2019 and also passed resolution by circulation. However the gap between the meeting held on 04.06.2018, 12.10.2018 & 15.02.2019 is exceeding 120 days. Accordingly, the requirements of the Secretarial Standard - 1 are not met.*
- *The Company was required to constitute the Audit and Nomination & Remuneration Committee as per the applicable provisions and the same was constituted in the Board Meeting dated 15.02.2019. However no committee meeting has been conducted during the period under review of the Audit Committee. Accordingly the Company has not complied with the requirement of Section 177 and section 178 of the Companies Act, 2013, DPE Guidelines and the requirements of Secretarial Standard -1.*
- *The Company was required to conduct its AGM pursuant to the provisions of Section 96 of the Companies Act, 2013 but the AGM could not be held within due date i.e. 30.09.2018. Further no extension was claimed for the same and the date has still not been finalized yet.*





## GROVER AHUJA & ASSOCIATES

**Company Secretaries**

We further report that:

1. Adequate notice was given to all Directors to schedule the Board Meetings. Also agenda and detailed notes on Agenda were sent to all the Directors. Also, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
2. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Grover Ahuja & Associates

Company Secretaries



Digitally signed by  
SUPRIYA SINHA  
Date: 2020.09.02  
17:36:53 +05'30'

Supriya Sinha  
(Partner)

COP No. 22811

Membership No. 27658

UDIN A027658B000650511

Date: 02/09/2020

Place: Pune

**Note: This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.**



## GROVER AHUJA & ASSOCIATES

Company Secretaries

'Annexure'

To,

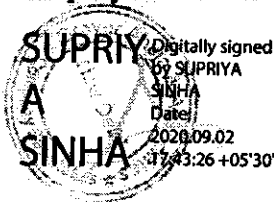
The Members,

New Delhi Municipal Council Smart City Limited

Our report of the event is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on a test basis.

For Grover Ahuja & Associates  
Company Secretaries



Supriya Sinha  
(Partner)  
COP No. 22811  
Membership No. 27658  
UDIN A027658B000650511

Date: 02/09/2020

Place: Pune



# NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

## MANAGEMENT REPLY OF NDMC SMART CITY LIMITED TO QUALIFICATIONS IN SECRETARIAL AUDIT REPORT AND COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

SECRETARIAL AUDIT REPORT	
Point No.	Management Reply
• Point No. 1	Noted
• Point No. 2	Noted
• Point No. 3	Noted
• Point No. 4	Noted
• Point No. 5	Noted
• Point No. 6	Noted
• Point No. 7	Noted.

CORPORATE GOVERNANCE REPORT	
Point No.	Management Reply
• Point No. 1	Noted
• Point No. 2	Statement of fact, no comments required.

For and on behalf of the Board of Directors

Date: 4/9/2020

Place: New Delhi

  
(Director)

DIN: 08908272

(Mr. B. M. Mishra)

  
(Director)

DIN: 08741753

(Mr. Puskal Upadhyay)





# NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

## CORPORATE GOVERNANCE REPORT

(In accordance with DPE guidelines)

### 1. Corporate Governance Philosophy

NDMC Smart City Limited (hereinafter to be known as "the company" or "the NDMCSCCL") has philosophy to ensure transparency in all its operations. An established framework of corporate governance emphasizes on commitment towards ethical and efficient conduct of affairs of the Company. Corporate Governance Report stems from our belief that it is an integral element in improving efficiency and growth as well as enhancing the confidence of the stakeholders. Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of the information.

The Company believes in sustainable corporate growth that emanates from top leadership down through the organisation to the various stakeholders which is reflected in its sound financial system, enhanced market reputation and improved efficiency. NDMCSCCL envisages to further increasing the efficiency and effectiveness in a transparent manner through intervention of technology to ensure Good Governance.

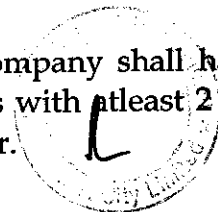
### 2. Board of Directors

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the company. The Board of Directors functions in accordance with the powers delegated under the Companies Act, 2013, Articles of Association and CPSE Guidelines issued by DPE from time to time, as may be applicable to the company'

#### 2.1 The composition & changes in the Board of Directors during the period under review

The Company is a Government Company as defined under Section 2(45) of the Companies Act, 2013.

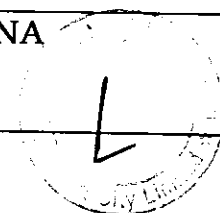
The Companies Act, 2013 stipulate that a public company shall have minimum 3 (three) directors and maximum 15 (fifteen) directors with atleast 2 (Two) Directors being Independent Directors and one woman director.



Further, DPE Guidelines stipulates that the Board of Directors of the Company shall have an optimum combination of Functional, Nominee and Independent directors. The Number of Functional Directors should not exceed 50 % of the actual strength of the Board.

The composition and changes in the Board of Directors as on 31st March, 2019 is given below:-

Name	Designation	Date of Appointment	Date of Cessation
Naresh Kumar	Director	28/07/2016	N.A.
Rashmi Singh	Director	04/06/2018	N.A.
Chanchal Yadav	Director	28/07/2016	13/04/2018
Nidhi Srivastava	CEO(KMP)	23/01/2019	N.A.
Raajiv Yaduvanshi	Nominee Director (Delhi Govt.)	20/08/2018	N.A.
Ganesan Ramesh	Director	01/11/2018	N.A.
Vishwa Rajan Gupta	Director	01/11/2018	N.A.
Kanika Tandon Bhal	Additional Director	15/02/2019	N.A.
Ramanand Bhagat	CFO(KMP)	15/02/2019	N.A.
Ms. Juhi Mukherjee	Chief Executive Officer	21/04/2017	18/01/2019
Ramanand Bhagat	Additional Director	31/12/2018	N.A.
Mr. I.C Sharma	Additional Director	31/12/2018	N.A.
Mr. Deepak Mohan Spolia	Additional Director	31/12/2018	NA



Mr. Manoj Parida	Nominee Director (Delhi Govt.)	20/08/2018	15/12/2018
Ms. Geetali Tare	Director cum CFO	28/07/2016	14/08/2018
Ms. Punya Salila Srivastava	Nominee Director (Delhi Govt.)	09/11/2016	10/05/2018
Mr. Shailendra Vikram Singh	Nominee Director (Central Govt.)	15/11/2018	NA
Mr. Shreeshail Malge	Nominee Director (Central Govt.)	27/12/2018	NA

## 22 Details of the Board Meeting(s)

Board Meetings were scheduled in proper manner after adhering to the requirements of Companies Act, 2013 and also draft board meeting minutes were duly circulated to the board members for their comments.

Thereafter, finalised minutes were entered in the minute book within 30 days of the conclusion of the meeting. Decisions taken in the Board meeting are communicated to the respective departments for necessary action. During the period under review the Board of Directors met for 4 (Four) times dated 06.04.2018, 04.06.2018, 12.10.2018 and 15.02.2019 during the year under review.

## 2.3 Attendance of Directors at Board meetings and number of other Directorship on Board of are given hereunder:

S. No.	Name of Directors	No. Of meetings held during the year	No. Meetings Director eligible attend	Of was to	No. of meetings Attended
1)	Mr. Naresh Kumar	4	4		4
2)	Ms. Rashmi Singh	4	2		2
3)	Ms. Geetali Tare	4	2		2

4)	Mr. G. Ramesh*	4	1	1
5)	Mr. Deepak Bagla*	4	0	0
6)	Ms. Chanchal Yadav	4	1	1
7)	Ms. Punya Salila Srivastava	4	1	0
8)	Ms. Mira Mehrishi	4	0	0
9)	Mr. Vishwa Ranjan Gupta	4	1	1
10)	Mr. Manoj K. Parida	4	1	0
11)	Mr. Raajiv Yaduvanshi	4	2	1
12)	Mr. Ramanand Bhagat	4	1	1
13)	Mr. I. C. Sharma	4	1	1
14)	Mr. Deepak Spolia	4	1	1
15)	Ms. Kanika T. Bhal	4	0	0
16)	Mr. Shailendra Vikram Singh	4	4	3
17)	Shreeshail Malge	4	1	0

*\* Mr. G. Ramesh and Mr. Deepak Bagla ceased to be directors on 15.11.2017.*

**Notes:**

None of the Directors is a member of more than 10 Committee(s) and Chairman of more than 5 Committee(s) across all the Public Limited Companies in which, he/she is a Director.

- i. There is no inter-se relationship between the Directors.

**3. Committee(s) of the Board of Director(s)**

NDMCSCL is required to constitute the following committees as per the Companies Act, 2013 and DPE Guidelines:

- a) Audit Committee  
b) Nomination and Remuneration Committee

NDMC SCI has duly constituted the Audit Committee and Nomination and Remuneration Committee through resolution passed by Circulation on 31.12.2018.



Further constitution of same was recorded in minutes of Board meeting dated 15.02.2019.

#### 4. General Body Meetings

NDMC SCL is a Company incorporated under Companies Act, 2013. Hence, the first Annual General Meeting for the Financial Year 2016-17 was held on Thursday, 01<sup>st</sup> day of November, 2018 at 09:00 A.M. at registered office of the Company situated at Room no. 2001-A, 2nd Floor, Palika Kendra, New Delhi-110001.

The Second Annual General Meeting for the Financial Year 2017-18 was held on Friday, 22<sup>nd</sup> day of May, 2020 at 01:00 P.M. at registered office of the Company situated at Room no. 2001-A, 2nd Floor, Palika Kendra, New Delhi-110001.

#### 5. General Shareholders' Information (to be decided by Board members)

Date and Time of AGM	04/09/2020 at 2:00 p.m
Venue	Room no. 2001-A, 2nd Floor, Palika
Financial Year	2018-19
Address of correspondence	Room no. 2001-A, 2nd Floor, Palika Kendra, New Delhi-110001

#### 6. Disclosures

##### i. Related party Transactions

There were no material transactions with related parties that may have potential conflict with the interest of the Company at large. Further, the details have been mentioned in Form AOC-2.

##### ii. Details of Non Compliance by the Company as per Companies Act, 2013 and DPE Guidelines

The committees as required under Companies Act and DPE Guidelines were in the process of formation during the reported period. However, the Company has duly constituted all the Committees on 31.12.2018. Further, the Board has appointed all the Independent Directors as the requirement of its Articles and Companies Act, 2013. The company has not conducted its AGM for the financial year 2018-19 within the stipulated time period and extension was also not applied for the same.



**iii. Whistle Blower policy**

The Company is not required to have a Whistle Blower policy.

**iv. Details of compliance with the requirement of these guidelines**

The status of compliance with DPE Guidelines till 31<sup>st</sup> March, 2019 is detailed above.

- v. Items of expenditure debited in books of accounts, which are not for the purposes of the business: NIL**
- vi. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: NIL**
- vii. Presidential directives have been issued by central Government during the year ended 31<sup>st</sup> March, 2019: NIL**
- viii. Details of Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase: NIL**

**7. Means of Communication**

- i. Annual Report:** Annual Report contains inter-alia Director's Report, Auditor's Report, Management Discussion and Analysis Report, Audited Financial statements of the company that will also be available on the website of the Company.
- ii. Website:** The Company's website [smartcity.ndmc.gov.in](http://smartcity.ndmc.gov.in) is a comprehensive reference on NDMC Smart City's management, vision, mission, updates and news.
- iii. Communication to shareholder's on email:** Documents like notices, annual report etc. are sent to the shareholders at their email address to ensure prompt delivery of documents, ensure less paper consumption, save trees and avoid loss of documents in transit.

**8. Audit Qualifications**

The Audit Qualifications along with management reply forms part of the Annual Report.



**9. Auditor's Certificate on Corporate Governance**

As required under DPE Guidelines on Corporate Governance, the certificate from M/s Grover Ahuja & Associates, Company Secretaries pertaining to the compliance of conditions of Corporate Governance is annexed with this report.

Place: Delhi  
Date: 4/9/2020 .

**For and on behalf of the Board of Directors**

N

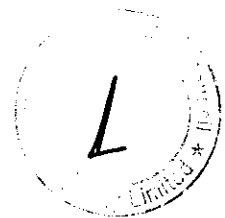
**Director  
DIN:**

(Ms. B M Mishra)

P

**Director  
DIN: 08741753**

(Ms. Puskal Upadhyay)





To  
The Members of  
New Delhi Municipal Council Smart City Limited

We have examined the compliance of Corporate Governance by New Delhi Municipal Council Smart City Limited (the Company) for the year ended 31<sup>st</sup> March, 2019.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated, subject to the following:

1. The Audit and Nomination & Remuneration Committee under Companies Act, 2013 and DPE Guidelines were duly constituted vide Board meeting dated 15.02.2019. However no meeting of the Audit Committee was conducted during the year.
2. The observations/qualification on the audited financial statements of the Company as at 31<sup>st</sup> March, 2019 are as detailed in the Independent Auditor's Report of even date.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Grover Ahuja & Associates  
Company Secretaries

SUPRIYA  
SINHA  
Supriya Sinha  
(Partner)

COP No. 22811  
Membership No. 27658  
UDIN A027658B000653888  
Date: 03/09/2020  
Place: Pune

Head Off: D-251, L G F, Defence Colony, New Delhi-110024, Ph: Ph: 41633301, 011-46772201-07  
Branch Off.: 119, First Floor, Deepshikha Building, Rajendra Place, Delhi-110008  
Mumbai Office: 63, Rajgir Chambers, 7th Floor, ShaheedBhagat Singh Marg,  
Opp. Old Customs House, Mumbai-400001  
Web Site: [www.groverahuja.com](http://www.groverahuja.com);  
E mail: [info@groverahuja.in](mailto:info@groverahuja.in)



## NEW DELHI MUNICIPAL COUNCIL SMART CITY LIMITED

(Incorporated under the Companies Act, 2013)

### *Management Discussion and Analysis Report*

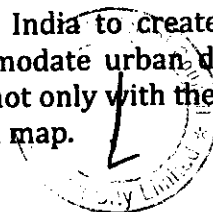
#### **INDUSTRY OVERVIEW**

The Smart Cities Mission of the Government is a bold and a new initiative. It is meant to set examples that can be replicated both within and outside the Smart City, catalysing the creation of similar Smart Cities in various regions and parts of the country. Often it was observed that Urban Local Bodies are found struggling for meeting the operation and management cost of the services and capital expenditure recovery and as a result gets into the traps of low level of services due to inadequate investments infrastructure and improvement services and thereby resulting in poor cost recoveries and this vicious continues. Therefore, for a sustainable urbanization, higher levels of investments are to be coupled with better and improved level of services resulting in good revenue receipts and recoveries which eventually leads to higher and improved resources and investments. Therefore, the concept of Smart Cities came into existence which basically implies that resources should be used intelligently, efficiently and improves upon service deliveries for reliable revenue generating streams. Smart Cities

There is no universally accepted definition of a smart city. It means different things to different people. The conceptualisation of Smart City, therefore, varies from city to city and country to country, depending on the level of development, willingness to change and reform, resources and aspirations of the city residents. A smart city would have a different connotation in India than, say, Europe. Even in India, there is no one way of defining a smart city.

Some definitional boundaries are required to guide cities in the Mission. In the imagination of any city dweller in India, the picture of a smart city contains a wish list of infrastructure and services that describes his or her level of aspiration. To provide for the aspirations and needs of the citizens, urban planners ideally aim at developing the entire urban eco-system, which is represented by the four pillars of comprehensive development-institutional, physical, social and economic infrastructure. This can be a long term goal and cities can work towards developing such comprehensive infrastructure incrementally, adding on layers of 'smartness'.

Smart City project is an endeavour by the Government of India to create cities with enhanced communication and digital capabilities to accommodate urban development. The activities which will be undertaken under this project is not only with the intention of improving public convenience, but also put India on the global map.



In the approach of the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a **replicable model which will act like a light house to other aspiring cities.**

NDMC was selected as one of the twenty cities in first round of Smart Cities Mission by the Ministry of Urban Development, Government of India (MoUD). Having been chosen as one of the "lighthouse cities" for this Mission, NDMC Smart City Limited (The Company) has achieved significant progress in this regard which has been detailed in the Director's Report.

## **SWOT ANALYSIS**

### **I. STRENGTHS**

NDMC Smart City has the following primary competitive strengths:

- Adoption of Smart and Modern technology to change the city and various other solutions.
- Involvement of public while the work is undergoing
- Reliance on E-governance
- Greater accountability, transparency, efficiency and promptness, increased reliance has been made on the online services under the e-Governance in the year 2018-19

### **II. OPPORTUNITIES**

The Company strives to achieve an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks.

### **III. THREATS/WEAKNESSES**

The Company's management perceives the following as threats/weaknesses that the company will be exposed:

- Significant increase of traffic putting pressure on infrastructure,
- Increase in floating population,
- Environmental pollution,
- Rapid technology obsolescence,
- Need for constant upgradation of Skill-Sets
- Access to clean water supply
- Brown cover areas



## **OUTLOOK AND FUTURE PROSPECTS**

NDMC Vision for Smart City is: **"To be the Global Benchmark for a Capital City"**

The goals that have been derived from the city vision are:

- 1) Urban Mobility** – Enhanced access to sustainable public transport, smart parking, non-motorized vehicles (NMVs) and last mile connectivity.
- 2) Inclusive City** – Addressing the needs of the most vulnerable citizens including women, children, disabled and transgender individuals.
- 3) City Planning and Design** – Improved quality of life through citizen focused planning.
- 4) Social Development** – Focus on improved education and healthcare through incorporation of ICT.
- 5) World's Capital** – Setting global standards to meet citizen's aspirations.

The Company has the responsibility to provide a city to its citizens that will allow the nation to achieve its aspirations. Thus, for a country with the second largest population and poised to become one of the largest economies, nothing short of being the best capital city in the world would do justice.

In line with the above mentioned goals, the Company till now has successfully completed 73 % projects out of 108 projects.

## **RISK MANAGEMENT & INTERNAL CONTROLS**

Risk Management is an integral part of the overall governance process to identify, segregate, mitigate, control and monitor various risk at business. Today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management. The sustainability of the business is derived from the following:

- ❖ Identification of the diverse risks faced by the company.
- ❖ The evolution of appropriate systems and processes to measure and monitor them.
- ❖ Risk management through appropriate mitigation strategies within the policy framework.
- ❖ Reporting these risk mitigation results to the appropriate managerial levels.

Your Company has an effective system of accounting and administrative controls supported by an internal audit system with proper to ensure safety and proper recording of all assets of the Company and their proper and authorized utilization.

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's has appointed the M/s AMAA & Associates as its internal auditors to keep a check on the internal control system the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

### **HUMAN RESOURCES**

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. The Company's relations with the employees continued to be cordial.

### **SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company operates only in one segment and has no other reportable segment as per Accounting Standards issued. Further, product wise performance, during the year under review has been explained in the Directors' Report.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

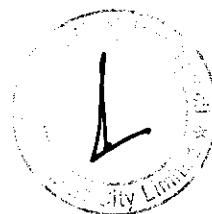
The Financial Performance with respect of Operational Performance has been fully explained in the Directors' Report.

### **ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION RENEWABLE ENERGY DEVELOPMENTS, FOREGIN EXCHANGE CONSERVATION**

The detail(s) about environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation is given in the Directors Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as Company is not covered under the criteria mentioned in Section 135 (1) of Companies Act, 2013.





## CAUTIONARY STATEMENT

All the statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations are forward looking statements, based on certain future assumptions and expectations. These statements are subject to certain risks and uncertainties. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the company's operations are affected by the many external and internal factors, which are beyond the control of the management. Hence, the company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

Place: Delhi  
Date: 4/9/2020

For and on behalf of the Board of Directors

  
Director  
DIN: 08908272  
(Mr. B.M. Mishra)

  
Director  
DIN: 08741753  
(Mr. Puskal Upadhyay)

